

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT				
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER UTE 16-16B-4-1				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT LELAND BENCH				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR FINLEY RESOURCES INC						7. OPERATOR PHONE 817 231-8735				
8. ADDRESS OF OPERATOR PO Box 2200, Fort Worth, TX, 76113						9. OPERATOR E-MAIL awilkerson@finleyresources.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-H62-4896			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Coleman, et al.						14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-654-1666				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 148 West Center Street, Heber City, UT 84032						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		990 FSL 990 FEL		SESE	16	4.0 S	1.0 E	U		
Top of Uppermost Producing Zone		990 FSL 990 FEL		SESE	16	4.0 S	1.0 E	U		
At Total Depth		990 FSL 990 FEL		SESE	16	4.0 S	1.0 E	U		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 990			23. NUMBER OF ACRES IN DRILLING UNIT 40				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 750			26. PROPOSED DEPTH MD: 8500 TVD: 8500				
27. ELEVATION - GROUND LEVEL 5277			28. BOND NUMBER RLB 0011294			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-8496				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
SURF	12.25	8.625	0 - 358	32.0	J-55 ST&C	8.6	Premium Lite High Strength	47	3.53	11.0
							Class G	111	1.17	15.8
PROD	7.875	5.5	0 - 8500	15.5	J-55 LT&C	9.5	50/50 Poz	961	1.24	13.2
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Don Hamilton				TITLE Agent			PHONE 435 719-2018			
SIGNATURE				DATE 05/14/2012			EMAIL starpoint@etv.net			
API NUMBER ASSIGNED 43047526720000				APPROVAL Permit Manager						

Finley Resources, Inc.
UTE 16-16B-4-1
990' FSL & 990' FEL, SE/4 SE/4, Sec 16, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,277'
Green River	2,437'
Black Shale	6,327'
Uteland Butte	6,842'
Wasatch	7,267'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,327' - 6,842'	(Oil)
Uteland Butte	6,842' - TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coupl	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor 13 3/8	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
									--	--	--
Surface 8 5/8	0'	358'	32	J-55	STC	8.33	8.6	11	3,930	2,530	417,000
									21.57	21.27	36.40
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
									1.54	1.21	1.65

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new.

All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft ³	OH excess	Weight (ppg)	Yield (ft ³ /sk)
				sacks			
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48	15%	15.8	1.17
				41			
Surface Lead	12 1/4	200'	Premium Lite II w/ 3% KCl + 10% bentonite	165	100%	11.0	3.53
				47			
Surface Tail	12 1/4	158'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	130	100%	15.8	1.17
				111			
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191	25%	13.2	1.24
				961			

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

<u>Interval</u>	<u>Description</u>
-----------------	--------------------

Surface - 358'	An air and/or fresh water system will be utilized.
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358' - TD	<p>A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite.</p> <p>Anticipated maximum mud weight is 9.5 ppg.</p>
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7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTB to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

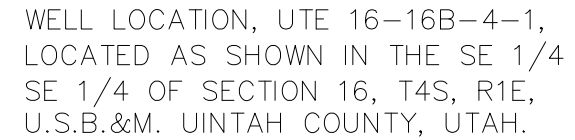
No abnormal temperature is expected. No H₂S is expected.

9. Other Aspects

This is planned as a vertical well.

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FINLEY RESOURCES INC.



1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

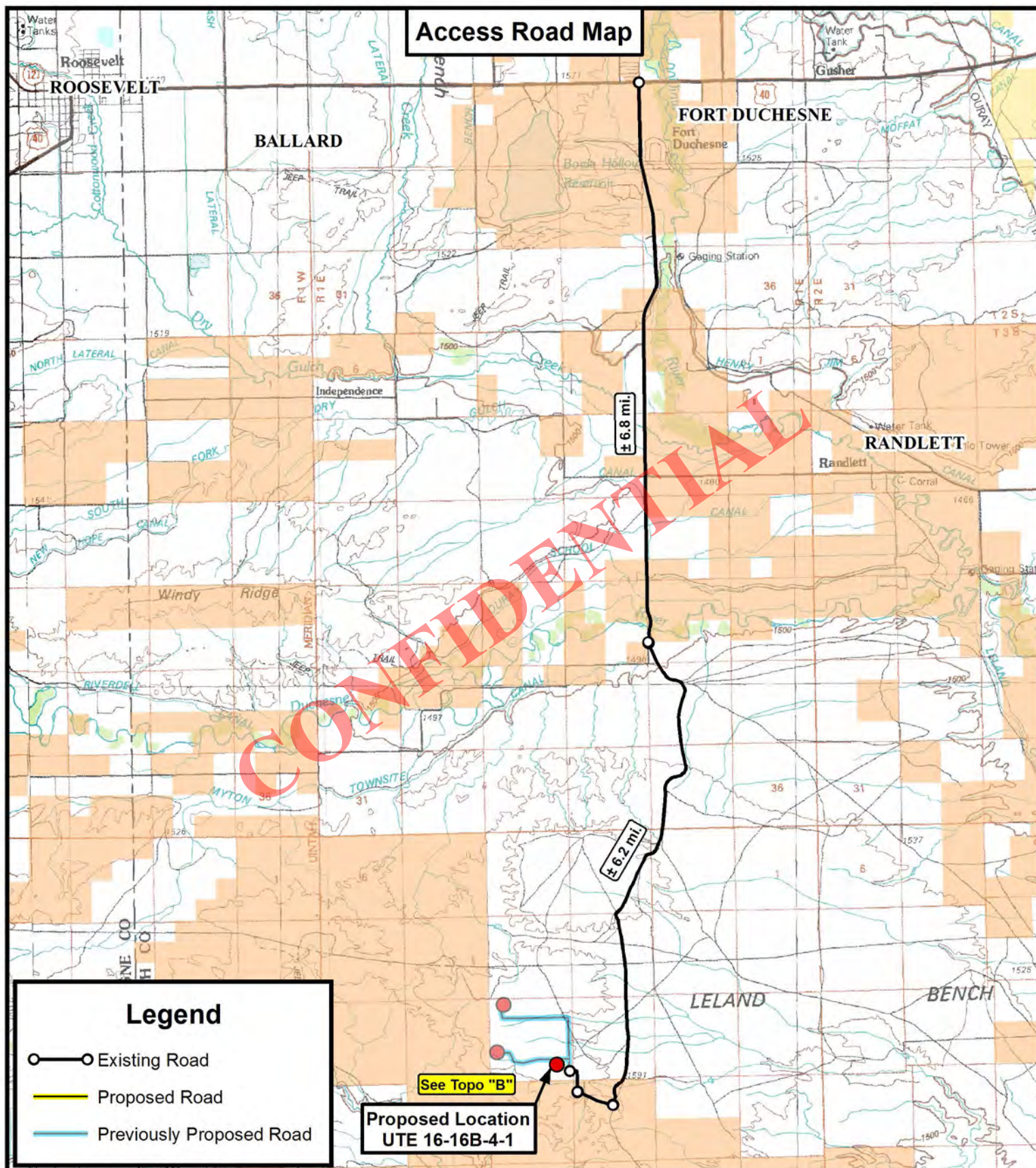
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEY
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE AND BELIEF.

15
No. 189377
01-11-12
STACY W.
STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. 10037
STATE OF UTAH

UTE 16-16B-4-1
 (Surface Location) NAD 83
 LATITUDE = 40° 07' 49.74"
 LONGITUDE = 109° 52' 54.85"

DATE SURVEYED: 11-03-11	SURVEYED BY: C.D.S.
DATE DRAWN: 01-05-12	DRAWN BY: R.B.T.
REVISED:	SCALE: 1" = 1000'

RECEIVED: May 14, 2012



**Tri State
Land Surveying, Inc.**

180 NORTH VERNAL AVE. VERNAL, UTAH 84078

P: (435) 781-2501
F: (435) 781-2518



FINLEY RESOURCES INC.

UTE 16-16B-4-1
SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

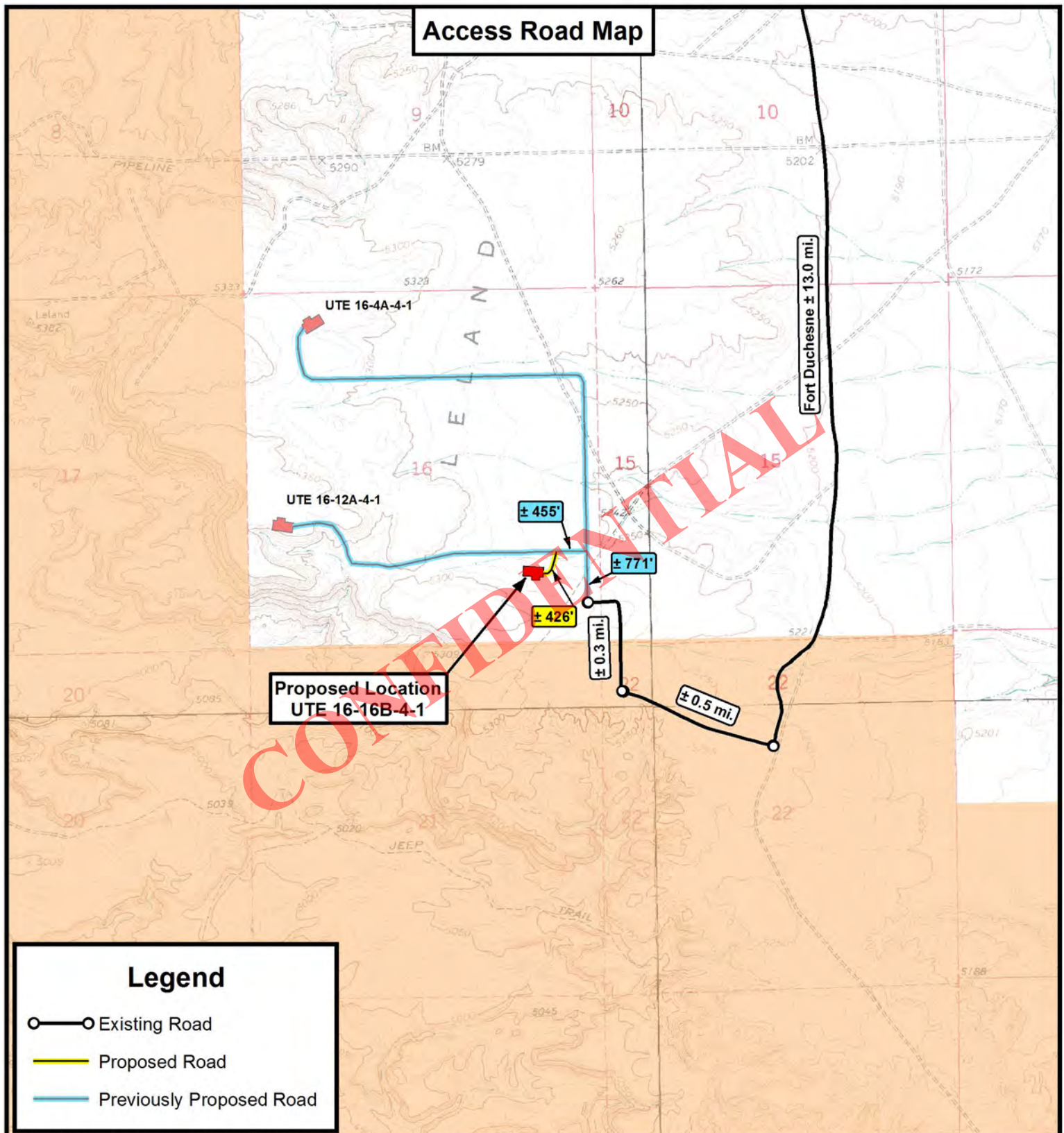
DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1:100,000	

TOPOGRAPHIC MAP

SHEET

A

Access Road Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road

THE PARCEL INFORMATION SHOWN HAS NOT BEEN SURVEYED BY TRI-STATE LAND SURVEYING, INC. - TRI-STATE DOES NOT WARRANTY PROPERTY PARCEL DATA OR ANY ASSOCIATED INFORMATION. A PROPERTY SURVEY IS REQUIRED TO DETERMINE THE ACTUAL LOCATION OF PROPERTY LINES AND SHOW ACCURATE DISTANCES ACROSS PARCELS.

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**FINLEY RESOURCES INC.**

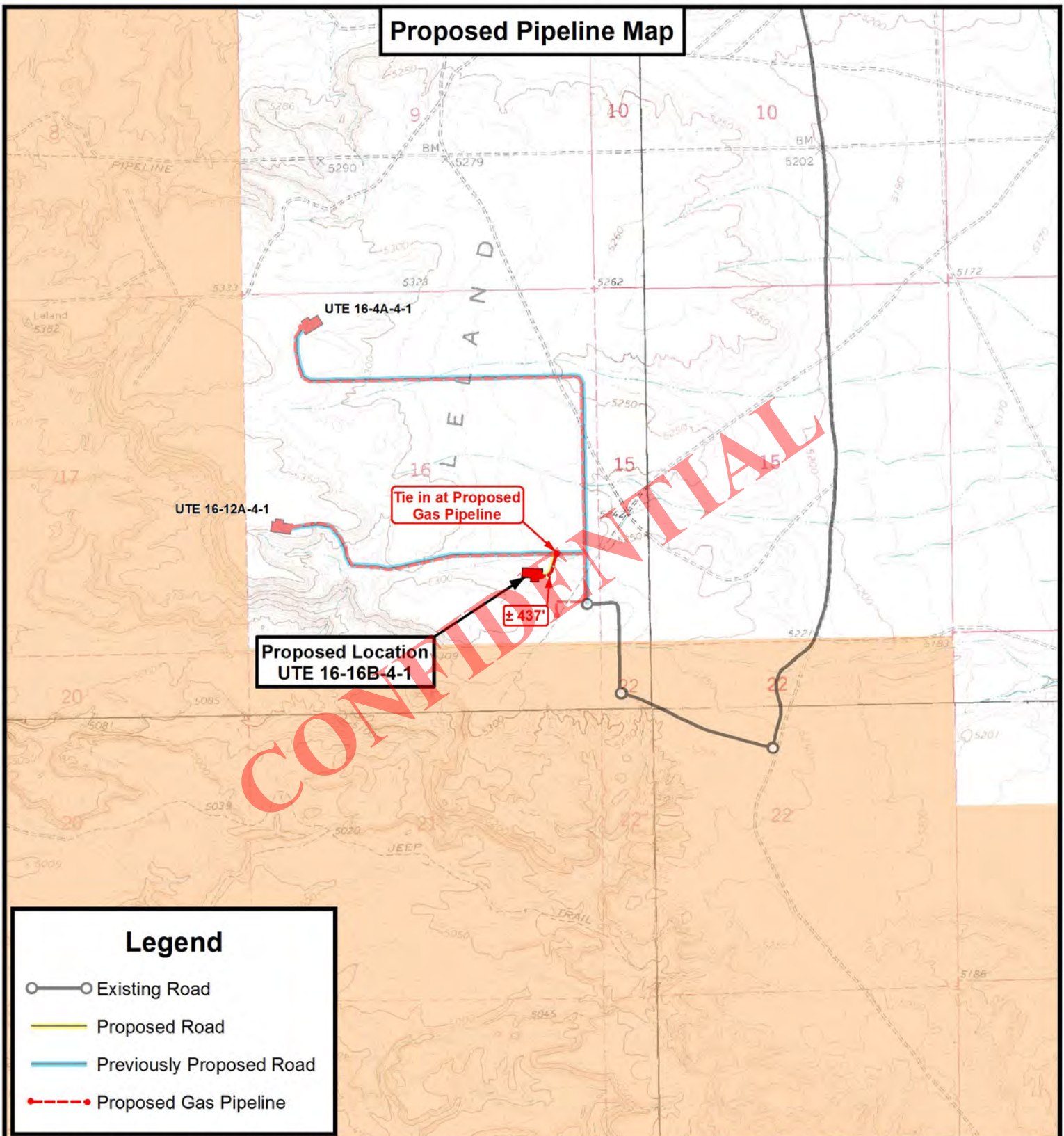
UTE 16-16B-4-1
SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET
B

Proposed Pipeline Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road
- Proposed Gas Pipeline

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Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET

C

Exhibit "B" Map

Proposed Location
UTE 16-16B-4-1

Legend



1 Mile Radius



Proposed Location

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UTE 16-16B-4-1
SEC. 16, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY: D.C.R. REVISED:

DATE: 01-07-2012

SCALE: 1" = 2,000'

TOPOGRAPHIC MAP

SHEET

D

MEMORANDUM OF SURFACE USE AGREEMENT
AND GRANT OF EASEMENTS

WHEREAS, Salradus, L.L.C., Bonnie Coleman managing member, whose address is 148 West Center Street, Heber City, UT 84032, Coleman Mountain Holdings, L.L.C., Mary Jo Coleman Adamson managing member, whose address is P.O. Box 610, Roosevelt, UT 84066, Joseph N. Coleman, Trustee of the Coleman Family Trust, dated June 7, 1991, whose address is 393 East Center, Heber City, UT 84032, and Leila Coleman, Trustee of the Coleman Family Trust dated June 28, 1991, whose address is 950 South 400 East #112, St. George, UT 84770 (hereinafter collectively referred to as "Coleman"), and Uintah Resources, Inc. whose address is 3165 E. Millrock Drive, Suite 550, Salt Lake City, UT 84121 ("Optionee") (Coleman and Optionee are hereinafter collectively referred to as "Owner") and Finley Resources, Inc., whose address is P.O. Box 2200, Fort Worth, Texas, 76113 ("Operator"), have entered into that certain Easement, Right-of-Way and Surface Use Agreement, hereinafter the "SUA", dated effective April 24th, 2012 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 4 South, Range 1 East, U.S.M.

Section 13: All

Section 16: All

Section 23: N/2

hereinafter the "Lands"

WHEREAS, in the SUA Owner grants and conveys unto Operator a non-exclusive right to enter upon and use the Lands and Owner's adjacent lands for certain oil and gas related purposes, together with a right-of-way across the Lands to maintain and construct access roads, well sites, holding tanks and other such related facilities necessary for Operator's oil and gas operations.

This Memorandum of Surface and Damage Agreement shall serve as notice of the agreement covering the Lands and that the SUA is binding upon Owner and Operator's respective successors and/or assigns.

The terms and provisions of the unrecorded SUA are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum of Surface Use Agreement and Grant of Easements and the SUA, the terms of the SUA shall control.

Executed this 24th day of April, 2012.

OWNER:

Salradus LLC Bonnie S. Coleman

Salradus, L.L.C.

Bonnie S. Coleman, managing member

148 West Center Street

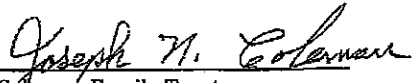
Heber City, UT 84032

Coleman Mountain Holdings, L.L.C.

Mary Jo Coleman Adamson, Managing Member

P.O. Box 610

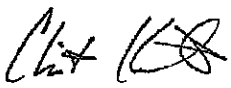
Roosevelt, UT 84066


Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

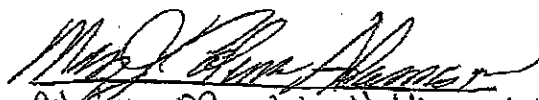
The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

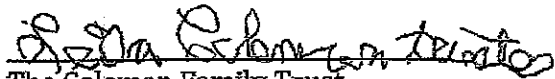
OPERATOR:



Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Coleman Mountain Holdings, L.L.C.
Mary So Coleman, managing member.
610 N. Mesa Circle, PO Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032


The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770


Uintah Resources, Inc.
By: ~~Todd Dana~~ Vincent J. Memmott
Its: President

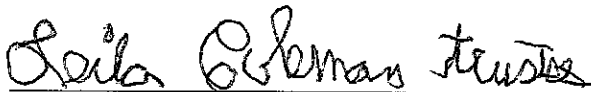
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Finley Resources Inc.
By: Clinton Koerth
Its: Vice President



Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
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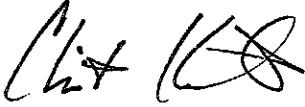
OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

API Well Completion 3047526720000
Weila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

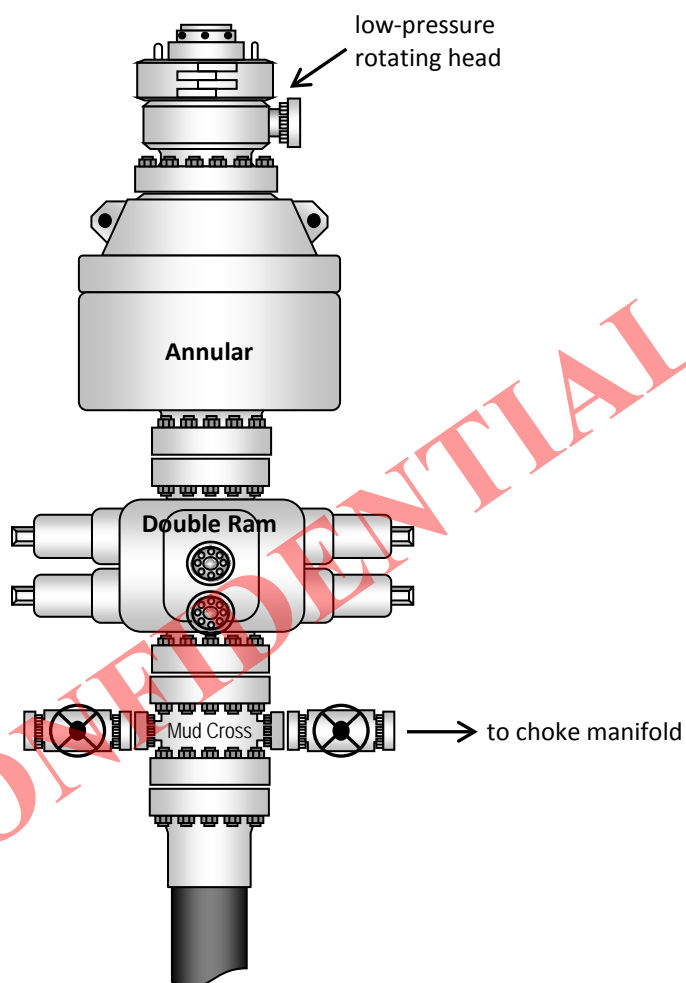
OPERATOR:



Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Typical 5M BOP stack configuration





2580 Creekview Road
Moab, Utah 84532
435/719-2018

May 15, 2012

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Finley Resources, Inc. – **Ute 16-16B-4-1**
990' FSL & 990' FEL, SE/4 SE/4, Section 16, T4S, R1E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-2) based on topography since the well is located less than 460 feet to the drilling unit boundary. Finley Resources, Inc. is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Matthew Cooper of Finley Resources, Inc. at 817-231-8738 or myself should you have any questions or need additional information.

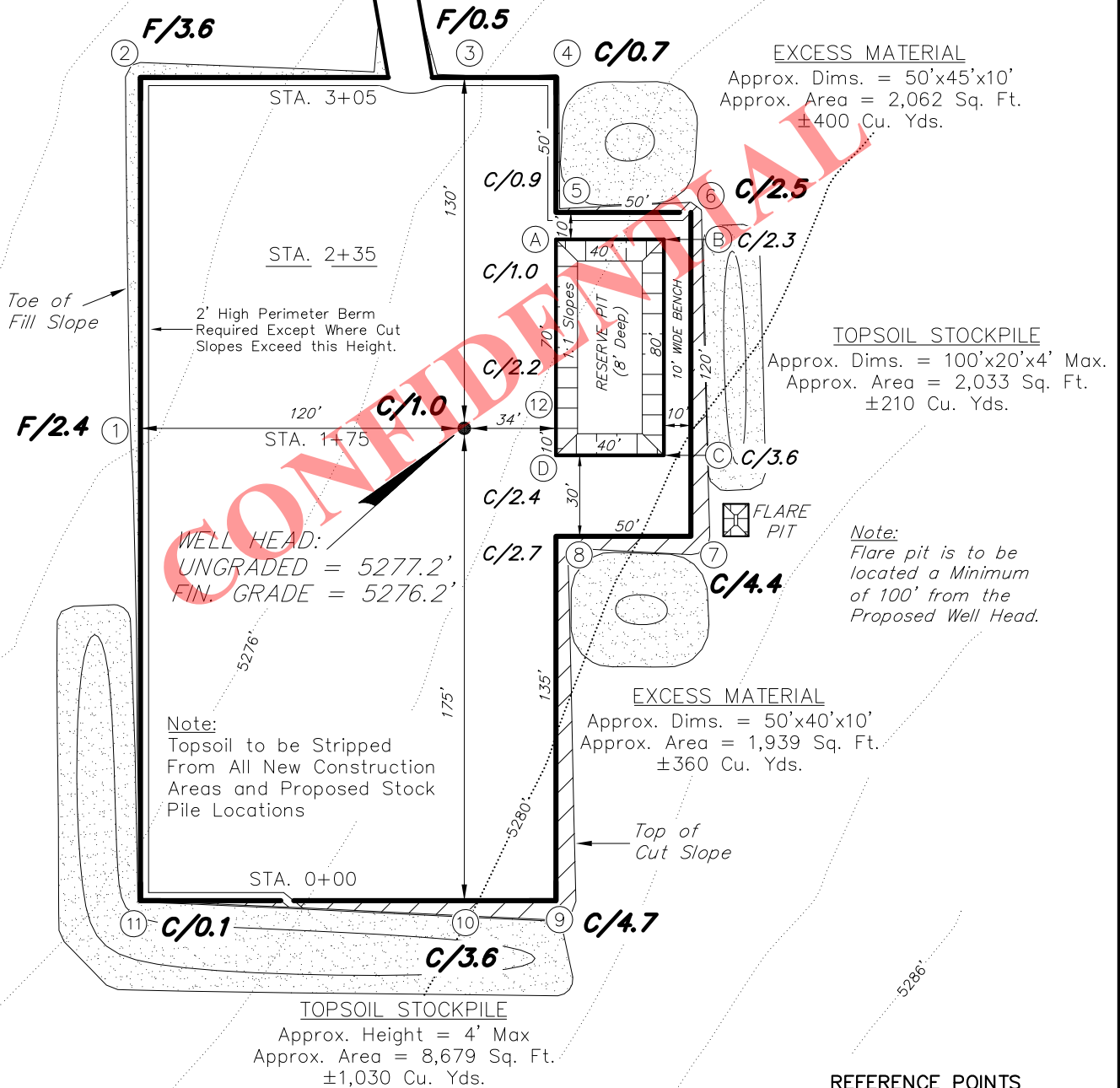
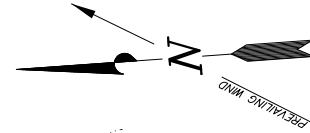
Sincerely,

A handwritten signature in blue ink that reads "Don Hamilton".

Don Hamilton
Agent for Finley Resources, Inc.

cc: Matthew Cooper, Finley Resources, Inc.

RECEIVED: May 14, 2012

FINLEY RESOURCES INC.**PROPOSED LOCATION LAYOUT****UTE 16-16B-4-1***Pad Location: SESE Section 16, T4S, R1E, U.S.B.&M.*PROPOSED ACCESS
ROAD (Max. 6% Grade)**NOTE:**

The topsoil & excess material areas are calculated as being mounds containing 2,000 cubic yards of dirt (a 10% fluff factor is included). The mound areas are calculated with push slopes of 1.5:1 & fall slopes of 1.5:1.

REFERENCE POINTS

225' WESTERLY - 5280.7'
275' WESTERLY - 5281.8'
170' NORTHERLY - 5272.7'
220' NORTHERLY - 5271.8'

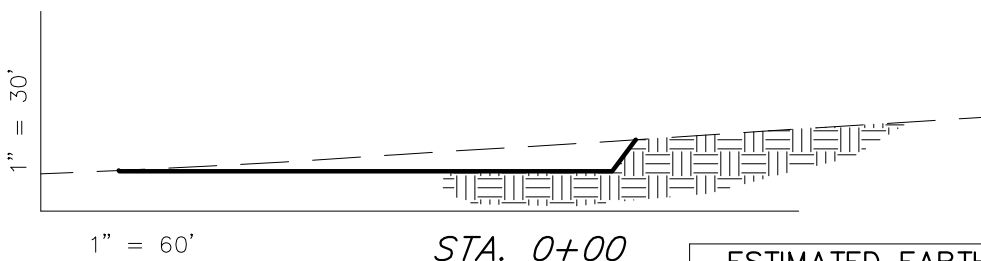
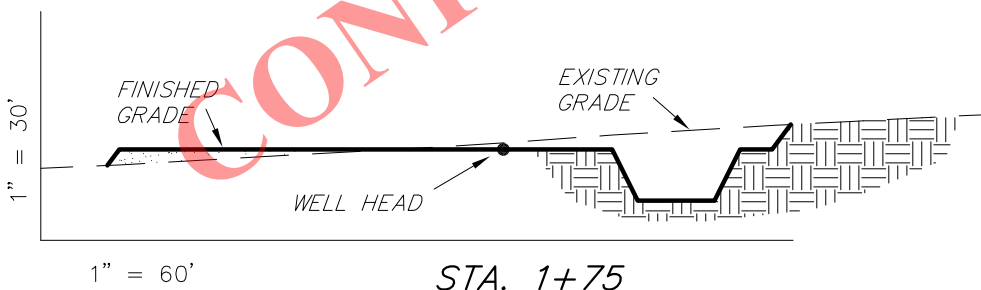
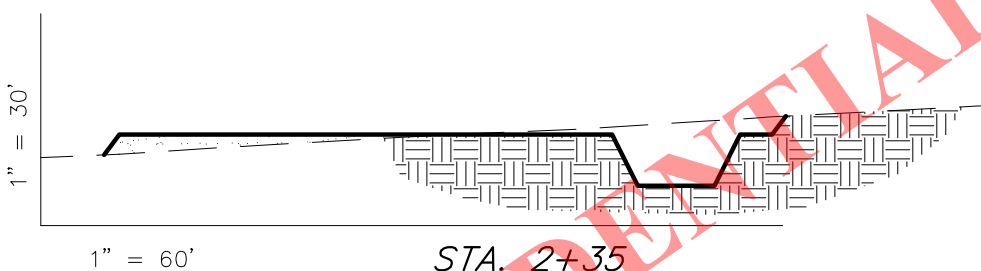
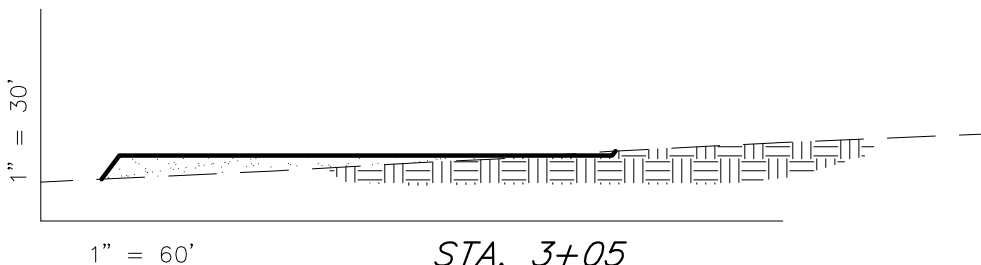
SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-03-11
DRAWN BY:	R.B.T.	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

Tri State
Land Surveying, Inc.

(435) 781-2501

180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: May 14, 2012

FINLEY RESOURCES INC.**CROSS SECTIONS****UTE 16-16B-4-1***Pad Location: SESE Section 16, T4S, R1E, U.S.B.&M.*

NOTE:
UNLESS OTHERWISE
NOTED ALL CUT/FILL
SLOPES ARE AT 1.5:1

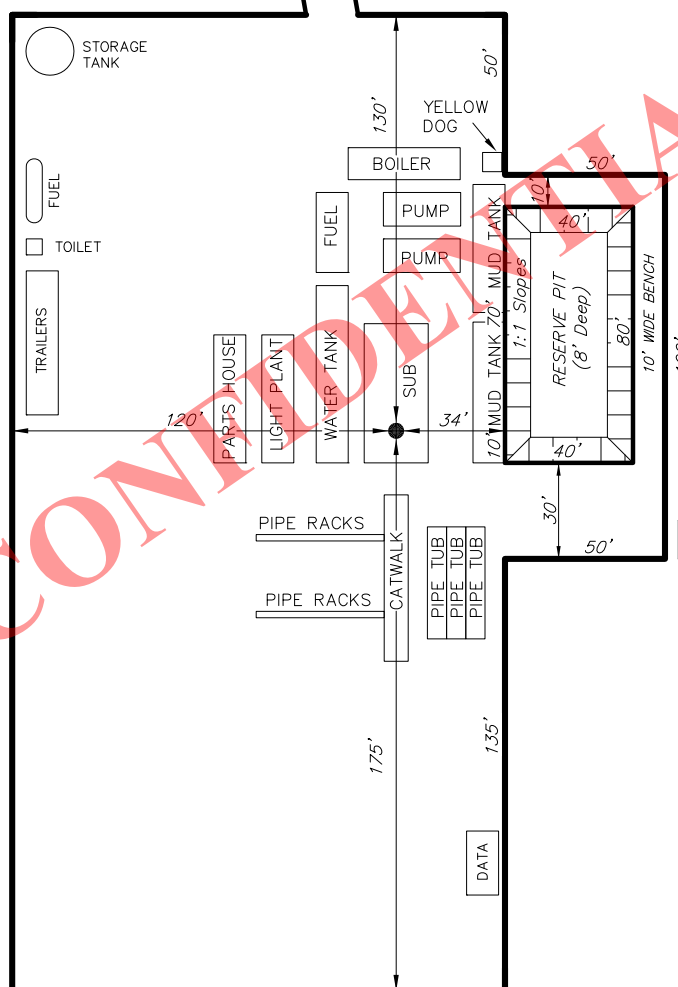
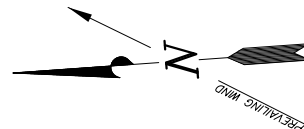
ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,540	1,540	Topsoil is not included in Pad Cut Volume	0
PIT	690	0		690
TOTALS	2,230	1,540	1,130	690

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-03-11
DRAWN BY:	R.B.T.	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

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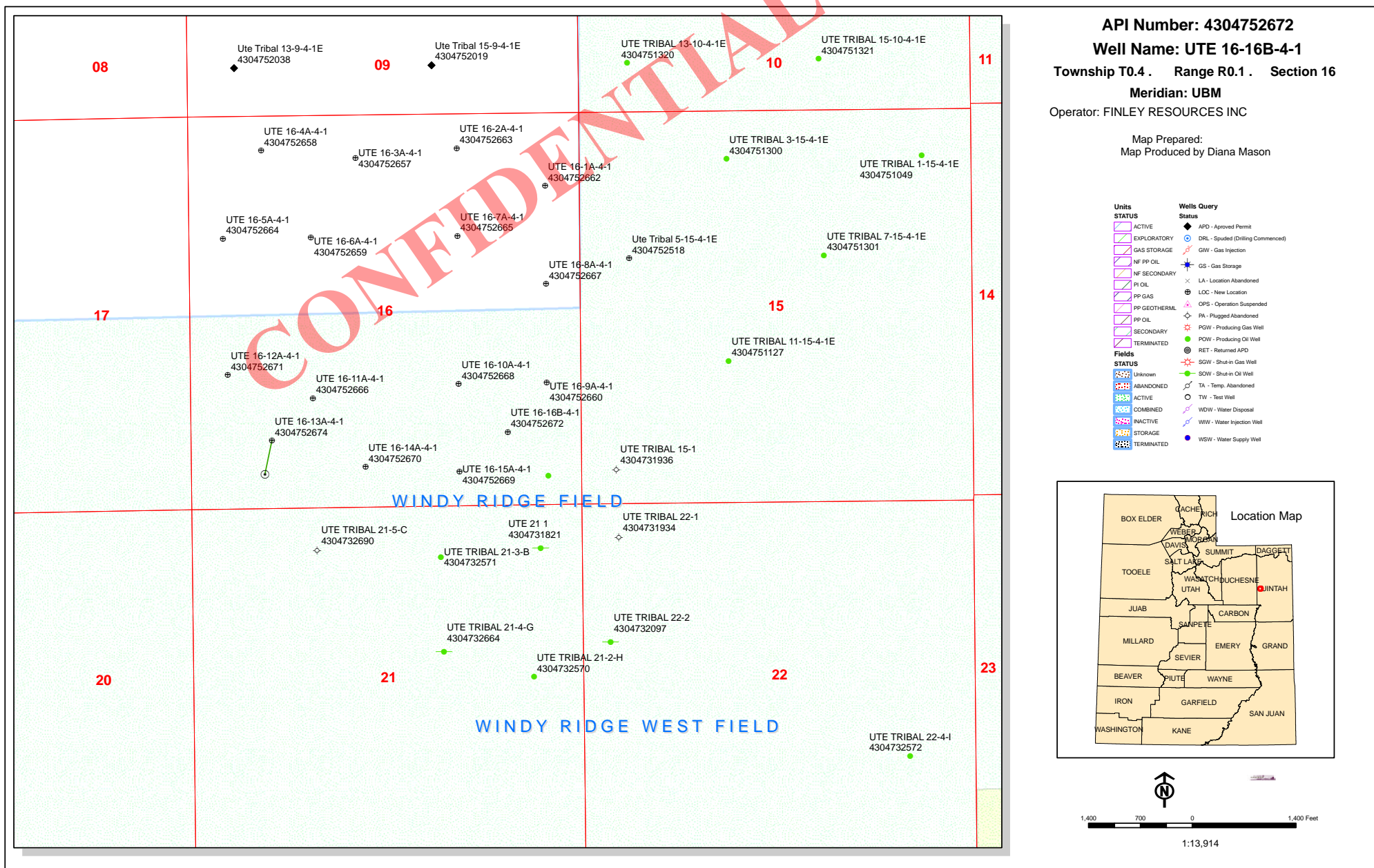
FINLEY RESOURCES INC.**TYPICAL RIG LAYOUT****UTE 16-16B-4-1***Pad Location: SESE Section 16, T4S, R1E, U.S.B.&M.**PROPOSED ACCESS
ROAD (Max. 6% Grade)***FLARE
PIT**

*Note:
Flare pit is to be
located a Minimum
of 100' from the
Proposed Well Head.*

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-03-11
DRAWN BY:	R.B.T.	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

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 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: May 14, 2012



ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator FINLEY RESOURCES INC
Well Name UTE 16-16B-4-1
API Number 43047526720000 **APD No** 5934 **Field/Unit** LELAND BENCH
Location: 1/4,1/4 SESE Sec 16 Tw 4.0S Rng 1.0E 990 FSL 990 FEL
GPS Coord (UTM) 595260 4442843 **Surface Owner** Coleman, et al.

Participants

Ted Smith (DOGM), Clay O'Neil, Matthew Cooper(Finley), Bill Civish (BLM), Don Hamilton (Star Point Enterprises), Mary Jo, Scott.Cody, and Bert Coleman, (Coleman Brothers),Dayton Slaugh (Tri-State Survey)

Regional/Local Setting & Topography

The general area is on Leland Bench, which is located about 14 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the north and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 426 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 16-16B-4-1 oil well is laid out in a west to east direction. Maximum cut is 4.7 feet at Location Corner 9. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, and Bert Coleman represented the Colman Brothers and had no problems with the site.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.08	Width 150 Length 300	Onsite	ALLU

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Overall vegetation at this site is fair. The vegetation on Leland Bench is a desert shrub/forb type. Similar species are common throughout the area. Principal species are shadscale, bud sage, winter fat, horsebrush, broom snakeweed, Indian ricegrass, needle and thread grass, curly mesquite grass, scarlet globe mallow, matt and Gardiner saltbrush, hordeum jubatum and annual mustards. A few occurrences of cheat grass, rabbit brush, buckwheat, Mormon tea and other species occur but are not common. Impacts from past and current grazing do not exist.

Because of the lack of water and cover the area is not rich in fauna. Species include antelope, coyotes and small mammals and rodents. Some shrub dependent birds may occur but were not observed. Historically, but not currently, sheep and wild horses grazed the area. Light winter cattle grazing currently exist.

Soil Type and Characteristics

Soils are a moderately deep sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Unknown	10
Final Score		30

3 Sensitivity Level

Characteristics / Requirements

Reserve pit 40' x 80' x 8' is planned in a cut on the southeast corner of the location. A liner with a minimum thickness of 16-mils is required. A sub-liner may not be needed because of the lack of rock in the area. Flare pit will be constructed 10' x 20' x 5'

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N

Other Observations / Comments

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

Ted Smith
Evaluator

6/6/2012
Date / Time

CONFIDENTIAL

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
5934	43047526720000	LOCKED	OW	P	No
Operator	FINLEY RESOURCES INC		Surface Owner-APD	Coleman, et al.	
Well Name	UTE 16-16B-4-1		Unit		
Field	LELAND BENCH		Type of Work	DRILL	
Location	SESE 16 4S 1E U 990 FSL 990 FEL GPS Coord (UTM) 595255E 4442836N				

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill
APD Evaluator

6/20/2012
Date / Time

Surface Statement of Basis

The general area is on Leland Bench, which is located about 14 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the north and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 426 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 16-16B-4-1 oil well is laid out in a east to west direction across a flat with a slight slope to the southwest. Maximum cut is 4.4 feet at Location Corner 7. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Docy, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

The minerals are owned by the United States Government and held in trust for the Ute Indian Tribe.

Uintah County has recently passed a new ordinance to regulate extraction industries. This ordinance requires a conditional use permit for all oil or gas wells in areas not zoned as industrial. Ute Energy is required to obtain a permit for this and other wells on Leland Bench.

Ted Smith
Onsite Evaluator

6/6/2012
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

CONFIDENTIAL

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/14/2012

API NO. ASSIGNED: 43047526720000

WELL NAME: UTE 16-16B-4-1

OPERATOR: FINLEY RESOURCES INC (N3460)

PHONE NUMBER: 435 719-2018

CONTACT: Don Hamilton

PROPOSED LOCATION: SESE 16 040S 010E

Permit Tech Review: ☒

SURFACE: 0990 FSL 0990 FEL

Engineering Review: ☐

BOTTOM: 0990 FSL 0990 FEL

Geology Review: ☒

COUNTY: Uintah

LATITUDE: 40.13046

LONGITUDE: -109.88195

UTM SURF EASTINGS: 595255.00

NORTHINGS: 4442836.00

FIELD NAME: LELAND BENCH

LEASE TYPE: 2 - Indian

LEASE NUMBER: 14-20-H62-4896

PROPOSED PRODUCING FORMATION(S): WASATCH

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ PLAT☒ Bond: INDIAN - RLB 0011294☐ Potash☐ Oil Shale 190-5☐ Oil Shale 190-3☐ Oil Shale 190-13☒ Water Permit: 43-8496☐ RDCC Review:☒ Fee Surface Agreement☐ Intent to Commingle

Commingle Approved

LOCATION AND SITING:

☐ R649-2-3.

Unit:

☐ R649-3-2. General☒ R649-3-3. Exception☒ Drilling Unit

Board Cause No: R649-3-3

Effective Date:

Siting:

☐ R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
4 - Federal Approval - dmason
5 - Statement of Basis - bhll
23 - Spacing - dmason

RECEIVED: July 02, 2012



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: UTE 16-16B-4-1
API Well Number: 43047526720000
Lease Number: 14-20-H62-4896
Surface Owner: FEE (PRIVATE)
Approval Date: 7/2/2012

Issued to:

FINLEY RESOURCES INC , PO Box 2200, Fort Worth, TX 76113

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being

drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: FINLEY RESOURCES INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: PO Box 2200 , Fort Worth, TX, 76113		8. WELL NAME and NUMBER: UTE 16-16B-4-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0990 FSL 0990 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 16 Township: 04.0S Range: 01.0E Meridian: U		9. API NUMBER: 43047526720000
PHONE NUMBER: 817 231-8735 Ext		9. FIELD and POOL or WILDCAT: WINDY RIDGE
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/15/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Finley Resources, Inc. requests a one year drilling permit extension for the referenced well. This is the first extension that has been requested.		
<div style="color: red; font-weight: bold;"> Approved by the Utah Division of Oil, Gas and Mining </div> <div style="color: red; font-weight: bold;"> Date: July 16, 2013 By: </div>		
NAME (PLEASE PRINT) Don Hamilton		PHONE NUMBER 435 719-2018
SIGNATURE N/A		TITLE Agent
DATE 7/15/2013		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047526720000

API: 43047526720000

Well Name: UTE 16-16B-4-1

Location: 0990 FSL 0990 FEL QTR SESE SEC 16 TWNP 040S RNG 010E MER U

Company Permit Issued to: FINLEY RESOURCES INC

Date Original Permit Issued: 7/2/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Don Hamilton

Date: 7/15/2013

Title: Agent

Representing: FINLEY RESOURCES INC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: FINLEY RESOURCES INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: PO Box 2200 , Fort Worth, TX, 76113		8. WELL NAME and NUMBER: UTE 16-16B-4-1
PHONE NUMBER: 817 231-8735 Ext		9. API NUMBER: 43047526720000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0990 FSL 0990 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 16 Township: 04.0S Range: 01.0E Meridian: U		9. FIELD and POOL or WILDCAT: WINDY RIDGE
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/15/2014	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Finley Resources, Inc. requests a one year drilling permit extension for the referenced well. This is the second extension that has been requested.		
Approved by the Utah Division of Oil, Gas and Mining June 26, 2014 Date: _____ By:		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 650-3866	TITLE Permitting Agent (Star Point Enterprises, Inc.)
SIGNATURE N/A	DATE 6/18/2014	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047526720000

API: 43047526720000

Well Name: UTE 16-16B-4-1

Location: 0990 FSL 0990 FEL QTR SESE SEC 16 TWNP 040S RNG 010E MER U

Company Permit Issued to: FINLEY RESOURCES, INC.

Date Original Permit Issued: 7/2/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Don Hamilton

Date: 6/18/2014

Title: Permitting Agent (Star Point Enterprises, Inc.) **Representing:** FINLEY RESOURCES, INC.



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 6, 2015

Don Hamilton
Finley Resources Inc.
P.O. Box 2200
Fort Worth, TX 76113

Re: APD Rescinded – UTE 16-16B-4-1, Sec. 16, T. 4S, R. 1E,
Uintah County, Utah, API No. 43-047-52672

Dear Mr. Hamilton:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 2, 2012. On July 16, 2013 and June 26, 2014 the Division granted a one-year APD extension. On August 5, 2015, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 5, 2015.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

